

***\$500,000,000 LOAN IS DECIDED ON;  
BRITAIN GIVES BULGARS WARNING;  
DECISIVE BATTLE RAGES IN FRANCE***

## INVESTORS TO GET FOREIGN BONDS AT 98

**American Banking Syndi-  
cate Will Pay 96 Per  
Cent. for Issue.**

40 BANKS HERE  
WILL SUBSCRIBE

Groups of Institutions All  
Over Country Expected  
to Aid.

**MONEY IS NOT FOR  
MUNITIONS OF WAR**

**Credit Is to Be Devoted  
Solely to Stabilizing  
of Exchange.**

Formal announcement of the agreement of American financiers to furnish \$500,000,000 so that foreign ex-

change between the United States and England and France may be maintained at normal figures was made last night at the Hotel Biltmore by Sir Henry Babington Smith, member of the Anglo-French mission. It came

The announcement, which was supplemented later by a statement from J. P. Morgan & Co., sets forth in brief: An underwriting syndicate of bankers and financiers.

bankers and individual financiers from all sections of the country is to supply a credit to the two countries of \$480,000,000, which is to remain in the United States to be utilized solely for the purpose of keeping the foreign exchange at the normal price. In return the two countries are to issue joint bonds due in five years bearing 5 per cent. interest for the full amount of \$500,000,000.

The price at which these bonds are to be sold to the investor will be 98 and the price at which the syndicate is to resell them is to be 96, making the interest return to the investor about 5½ per cent. The premium to the investor is \$10,000,000, and the

commission to the syndicate is \$10,000,000 more. The statement by Baron Reading follows:

I am now in a position to make an announcement as to our proceedings.

The discussions between the Anglo-French financial mission and the American bankers have resulted in the formation of a definite plan for a loan to the British and French Governments, to be issued in this country on a broad and popular basis. This

**Will Be Joint Obligation.**

The plan contemplates the issue of \$500,000,000 five year 5 per cent. bonds, constituting a direct joint and several obligation of the British and French Governments as regards both capital and interest. No other external loan has been issued by either of these Governments.

The bonds will be repayable at the

end of five years or convertible, at the option of the holder, into 4½ per cent. bonds of the two Governments repayable not earlier than fifteen years, and convertible at the

ten years and not later than twenty-five years from the present time by the two Governments jointly and severally.

The bonds will be issued to the public at 98, yielding approximately 5½ per cent. to the investor. The work of offering this loan will be carried out by a syndicate which

Messrs. J. P. Morgan & Co. and a large group of American bankers and financial houses will at once get about to form. Such group will in-

clude representatives throughout the country and all members of the syndicate will be precisely on the same footing. This syndicate, whose

business it will be to arrange that every investor shall have an opportunity to subscribe to the loan, will contract to purchase the loan from

**Obligation Without Precedent.**  
The Morgan statement, which came

later as a supplement and explanation of the situation from the American viewpoint, was as follows:

his statement that it has determined at the outset to recognize investment conditions in America. It proposes to meet these conditions by issuing an obligation which is without precedent

namely, the joint and several promise